GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

STARRED QUESTION NO:116
ANSWERED ON:06.03.2007
DEMAND FOR COTTON CLOTHES
Ponnuswamy Shri E.

Will the Minister of TEXTILES be pleased to state:

(a) whether despite substantial demand for cotton clothes in America, India is unable to reap benefits at par with Bangladesh and Sri Lanka;

(b) if so, the reasons therefore;

(c) whether India has better skilled manpower and fashion designers than Sri Lanka and Bangladesh; and

(d) if so, the steps taken to optimal use of Indian skill and to boost export of cotton clothes from India?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO.116 FOR ANSWER ON 06.03.2007 REGARDING DEMANDS FOR COTTON CLOTHES.

(a): No, Sir. USA's import of cotton apparel products from India amounts to US$ 2635.84 million which constitutes 6.07% share in USA's total import upto December 2006 in comparison to Bangladesh & Sri Lanka's share amounting to US$ 2185.88 million and US$ 1131.02 million (5.04% & 2.6%) respectively for the same year.

(b): Question does not arise.

(c): As such there is no mechanism in Government to assess skilled manpower and fashion designers. However, Indian fashion designers are known for their skill world over. India's design and manpower training institutes, in clothing field, are better equipped than Sri Lanka and Bangladesh.

(d): Government has been taking continuous measures to boost the export of cotton clothes. Some of the important initiatives taken in this regard are as follows:-

i) 100% Foreign Direct Investment is allowed in the textile sector under the automatic route.

ii) The Government has de-reserved the readymade garments, hosiery and knitwear from the SSI sector.

iii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.

iv) To improve the productivity and quality of cotton, Government has launched the Technology Mission on Cotton

(TMC). Incentives are provided for better farm practices, quality seeds, improvement in market infrastructure and modernization of ginning and pressing sector.

v) A new Scheme namely "Scheme for Integrated Textile Parks" has been formulated by merging "Scheme for Apparel Parks for Exports" and "Textile Centre Infrastructure Development Scheme" in order to expand the production base of textile and garment sector. The Scheme envisages 25 Textile Parks of international standard at potential growth centres of India by 2007-08.

vi) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given an option of excise exemption.

vii) The import of specified textiles and garment machinery items has been allowed at a concessional rate of customs duty to encourage investments and to make our textile products competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.

viii) Duty-free imports of 21 items of trimmings and embellishment items are allowed to the garment exporters, upto 3% of their actual export performance during the previous year.

ix) For the speedy modernisation of the textile processing sector, Government has introduced, w.e.f 20.4.2005, a credit linked capital subsidy scheme @10% under TUFS, in addition to the existing 5% interest reimbursement.

x) The National Institute for Fashion Technology (NIFT), its seven branches, and the Apparel Training & Design Centres

(ATDCs) are running various courses/programmes to meet the skilled manpower requirements of the textile industry, especially apparel, in the field of design, merchandising and marketing.

xi) Facilities like eco-testing laboratories have been created to enable exporters to get garments/textiles pre-tested so that they conform to the requirements of the importing countries.